

PROPERTY FORECLOSURES IN MARYLAND

FIRST QUARTER 2016



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PROPERTY FORECLOSURE EVENTS IN MARYLAND
FIRST QUARTER 2016

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PROPERTY FORECLOSURE EVENTS IN MARYLAND

FIRST QUARTER 2016

EXECUTIVE SUMMARY

RealtyTrac data for first quarter 2016 show that property foreclosure filings (or events) in the U.S., which includes notices of default, notices of foreclosure sales and lender purchases of foreclosed properties, declined 3.6 percent to 289,116 events from the previous quarter. Compared with the first quarter of 2015, foreclosures fell 7.8 percent (Exhibit 1). The U.S. foreclosure rate, defined as the number of foreclosures per 10,000 households, decreased from 22.7 in the previous quarter to 21.8 in the current quarter. Nationally, foreclosure activity dropped in 28 states as well as the District of Columbia but increased in the 22 other states. The top five increases were in Delaware, Kansas, North Dakota, Rhode Island, and Wyoming while the highest declines were in Alaska, Arkansas, Idaho, Nebraska, and New Mexico. Compared with the same quarter in 2015, total foreclosure events decreased in 21 states but increased in 29 states and in the District of Columbia.

In Maryland, foreclosure activity fell 2.4 percent from the prior quarter to 12,381 events, a 3.3 percent increase from the same period last year. The increase in the first quarter and from year ago levels can be largely attributed to continuous year-over-year growth in lender purchases of foreclosed properties, as lenders continue to take back inventory not sold at auction, along with modest growth in foreclosure sales (Exhibits 1 and 2).

New foreclosure filings decreased significantly, by 23.4 percent to 4,354 events from the fourth quarter 2015 and by 15.7 percent from one year ago. Foreclosure sales experienced modest growth, increasing by 0.7 percent and by 2.3 percent, from the preceding quarter and year levels respectively, to 3,650 properties as lenders push through protracted delinquent properties to take advantage of rising home values. With eight consecutive year-over-year quarterly declines in new defaults, property foreclosure activity in Maryland is expected to trend downward in the coming quarters as the housing market continues to recover with strong housing market indicators such as higher median home prices, lower months' supply and declining number of days properties for sale remain on the market.

With the decline in total foreclosure activity, Maryland's foreclosure rate decreased from 53.1 foreclosures per 10,000 households in the fourth quarter 2015 to 51.6 in the first quarter of 2016. Despite the decline in rates, Maryland's ranking remained among the top five states with the highest foreclosure rates nationwide. The State's foreclosure rate was 136.9 percent above the U.S. rate of 21.8 in the first quarter.

Among the neighboring states, all experienced decline. Delaware's ranking deteriorated from 8th highest in the prior quarter to 4th highest in the current quarter; Pennsylvania's ranking fell from the 13th highest in the previous quarter to 10th highest in the first quarter of 2016; Virginia's ranking dropped from the 27th highest to 20th highest during the first quarter of 2016.

RealtyTrac's methodology reports total number of filings in these stages of foreclosure. As a result, the sum of these stages of foreclosure during a quarter may exceed the actual number of foreclosed properties as properties are moved from one stage of the process to the other during the quarter. To eliminate multiple counting of foreclosure events, total number of foreclosures in this report represents the number of unique properties only.

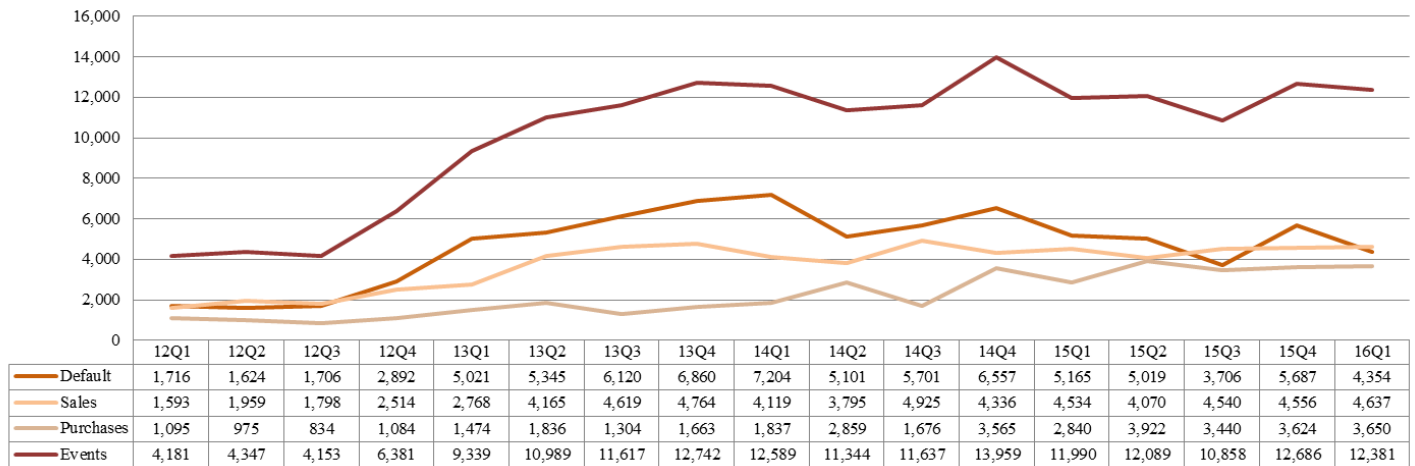
EXHIBIT 1. FORECLOSURES IN MARYLAND AND U.S.
FIRST QUARTER 2016

Indicator	Notices of Default	Notices of Sales	Lender Purchases	Properties with Foreclosure Filings*
<i>Maryland</i>				
Number of Events	4,354	4,637	3,650	12,381
Change (Last Quarter)	-23.4%	1.8%	0.7%	-2.4%
Change (Last Year)	-15.7%	2.3%	28.5%	3.3%
<i>U.S.</i>				
Number of Events	87,723	115,061	99,493	289,116
Change (Last Quarter)	-0.4%	-2.5%	-14.6%	-3.6%
Change (Last Year)	-10.6%	-23.1%	20.3%	-7.8%

The sum of the three stages of foreclosure may exceed the number of properties. The last column in this table represent the number of unique property foreclosures, hence multiple counting of the events has been eliminated.

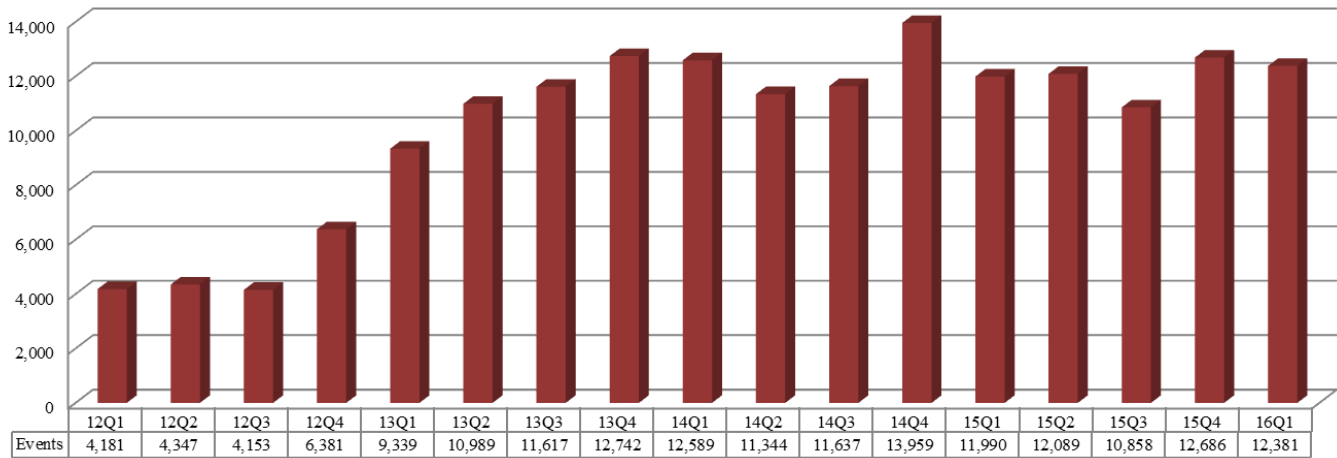
Source: RealtyTrac and DHCD, Housing and Economic Research Office

EXHIBIT 2. STAGES OF FORECLOSURE ACTIVITY IN MARYLAND
FIRST QUARTER 2012 THROUGH FIRST QUARTER 2016



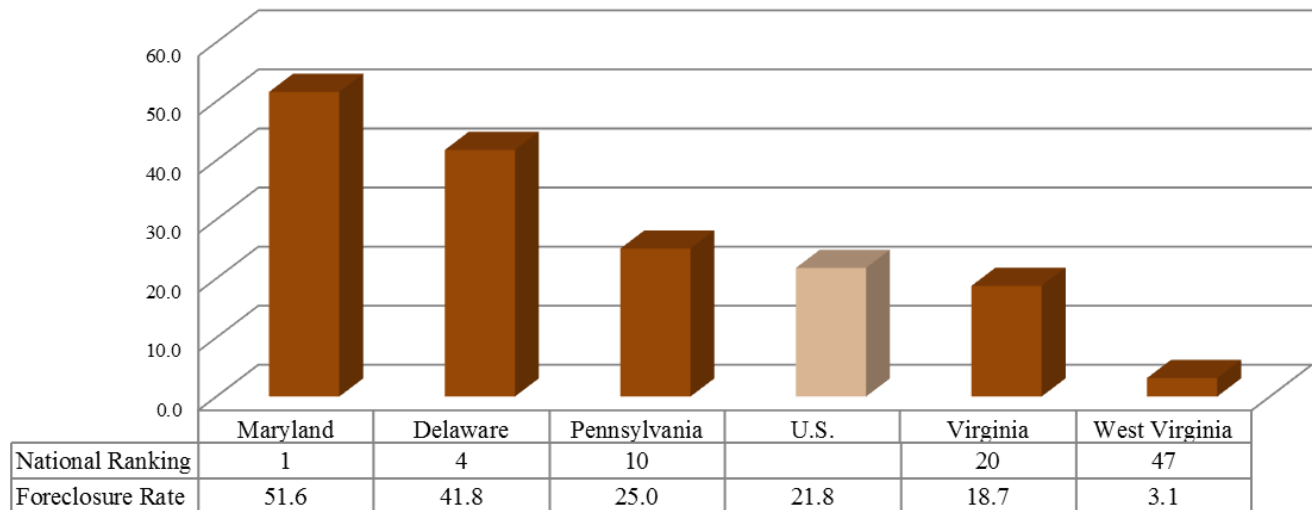
Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 1. TOTAL FORECLOSURE ACTIVITY
FIRST QUARTER 2016



Source: RealtyTrac and DHCD, Housing and Economic Research Office

CHART 2. FORECLOSURE RATES IN THE REGION: NUMBER OF FORECLOSURES PER 10,000 HOUSEHOLDS
FIRST QUARTER 2016



Source: RealtyTrac and DHCD, Housing and Economic Research Office

Table 1 shows the first quarter foreclosures events in Maryland jurisdictions. Prince George's County with 2,741 events had the largest share of foreclosures statewide, accounting for 22.1 percent of the total. Foreclosure activity in Prince George's County increased 10.8 percent above the previous quarter and 13.5 percent from a year ago. With 2,164 filings, Baltimore City had the second largest number of foreclosure events, accounting for 17.5 percent of the total. The City's foreclosures grew by 12.0 percent from the fourth quarter of 2015, a 14.4 percent increase from the first quarter that same year. Baltimore County with 1,762 foreclosures, or 14.2 percent of the total, had the third highest number of foreclosures in Maryland. Foreclosures in this county fell 8.6 percent below the preceding quarter and by 2.2 percent from one year ago.

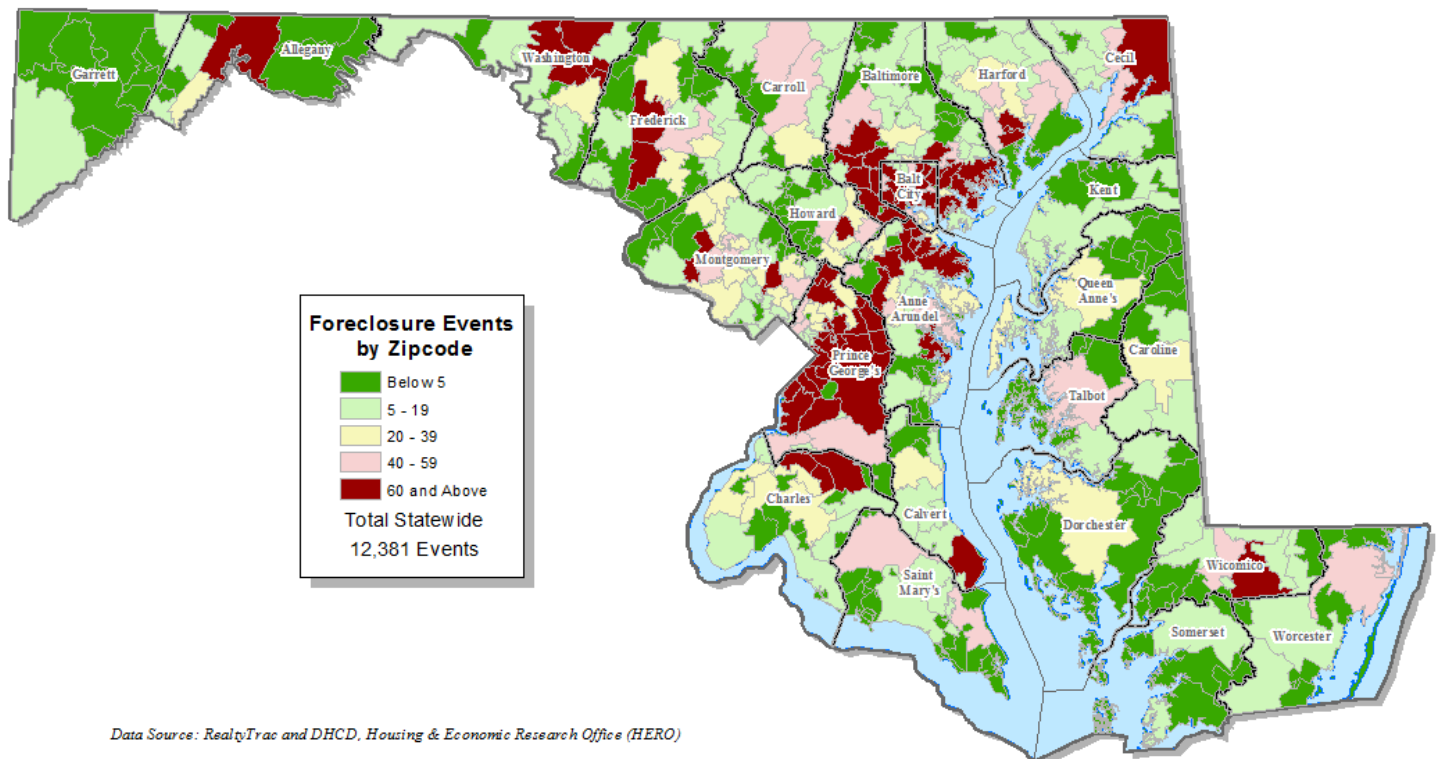
Other counties with large foreclosure events include Anne Arundel (1,206 events or 9.7 percent of the total), Montgomery (880 events or 7.1 percent), Harford (495 events or 4.0 percent), Charles (440 events or 3.6 percent), Frederick (402 events or 3.2 percent), Washington (332 events or 2.7 percent), and Howard counties (326 events or 2.6 percent). These ten jurisdictions represented 86.8 percent of all foreclosures events in Maryland.

TABLE 1. PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2016

Jurisdiction	Notices of Default	Notices of Sales	Lender Purchases (REO)	Total*			
				Number	County Share	% Change from	
						2015 Q4	2015 Q1
Allegany	45	31	42	114	0.9%	-7.7%	7.3%
Anne Arundel	442	379	375	1,206	9.7%	7.8%	42.2%
Baltimore	653	724	468	1,762	14.2%	-8.6%	-2.2%
Baltimore City	727	723	766	2,164	17.5%	12.0%	14.4%
Calvert	67	56	74	186	1.5%	-21.7%	-17.3%
Caroline	23	33	24	73	0.6%	1.3%	-5.3%
Carroll	63	91	54	197	1.6%	-13.8%	-21.0%
Cecil	77	80	76	220	1.8%	-9.8%	0.5%
Charles	188	152	124	440	3.6%	-6.5%	-5.6%
Dorchester	18	16	22	58	0.5%	-28.0%	-36.6%
Frederick	154	165	93	402	3.2%	-19.7%	-18.9%
Garrett	15	7	16	36	0.3%	-11.3%	3.6%
Harford	133	246	139	495	4.0%	-11.5%	0.5%
Howard	133	116	83	326	2.6%	-21.6%	-2.3%
Kent	11	11	22	43	0.4%	-4.6%	6.5%
Montgomery	276	410	244	880	7.1%	-12.5%	-16.7%
Prince George's	919	1,054	716	2,741	22.1%	10.8%	13.5%
Queen Anne's	44	27	45	107	0.9%	-8.7%	-11.0%
Somerset	21	15	17	51	0.4%	-1.9%	3.4%
St. Mary's	60	64	41	171	1.4%	-22.1%	-21.9%
Talbot	34	13	23	62	0.5%	-29.7%	-5.7%
Washington	122	123	89	332	2.7%	-2.1%	-2.3%
Wicomico	74	57	65	191	1.5%	-18.5%	-13.7%
Worcester	55	45	28	124	1.0%	-23.2%	-5.7%
Maryland	4,354	4,637	3,650	12,381	100.0%	-2.4%	3.3%

**The sum of the three stages of foreclosure may exceed the total. Total number of foreclosures represents unique properties.
Source: RealtyTrac and DHCD, Housing and Economic Research Office*

**MAP 1: DISTRIBUTION OF PROPERTY FORECLOSURE EVENTS
FIRST QUARTER 2016**



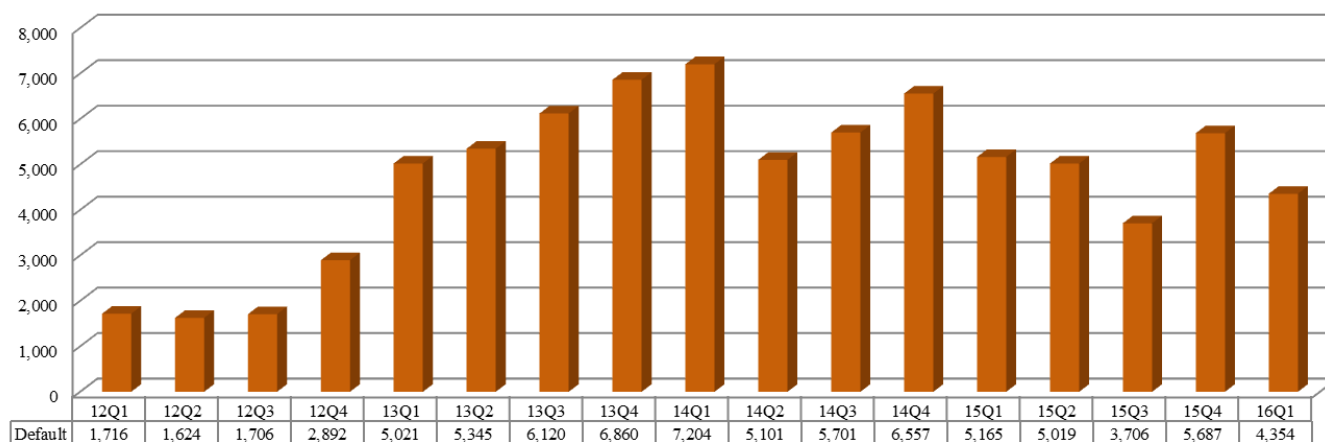
Data Source: RealtyTrac and DHCD, Housing & Economic Research Office (HERO)

NOTICES OF MORTGAGE LOAN DEFAULT FIRST QUARTER 2016

Notices of default (the initial document filed by the lender to start the foreclosure process, also called pre-foreclosure stage) dropped 23.4 percent to 4,354 filings in the first quarter (Chart 3). Compared to last year, new foreclosure filings were still down by 15.7 percent, recording the eighth consecutive year-over-year declines (Table 2). All Maryland jurisdictions recorded year over year quarterly declines with the exception of Anne Arundel, Cecil, Talbot, Washington, and Worcester counties.

By jurisdiction, Prince George's County accounted for the largest share of defaults, with 21.1 percent of all filings statewide with 919 notices (Table 2). The county's default notices fell 34.2 percent below the previous quarter and by 11.9 percent below last year. Baltimore City had the second highest number of defaults in Maryland, with 727 default notices (16.7 percent of the total). The City's new defaults declined 14.4 percent below the preceding quarter and decreased 18.8 percent below last year. Baltimore County with 653 default notices, or 15.0 percent of the total, had the third highest number of notices. The county's default notices fell 31.5 percent lower than the previous quarter but grew 28.4 percent above last year. Anne Arundel with 442 default notices, or 10.2 percent of the total, had the fourth highest number of notices while Montgomery County had the fifth largest share with 276 notices (a 6.4 percent share). Together, these jurisdictions represented 69.3 percent of all default notices issued statewide.

**CHART 3. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2016**



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 2. NOTICES OF MORTGAGE LOAN DEFAULT
FIRST QUARTER 2016**

Jurisdiction	2016 Q2		% Change from	
	Number	% of Total	2016 Q1	2015 Q2
Allegany	45	1.0%	3.7%	-8.1%
Anne Arundel	442	10.2%	-12.7%	13.8%
Baltimore	653	15.0%	-31.5%	-28.4%
Baltimore City	727	16.7%	-14.4%	-18.8%
Calvert	67	1.5%	-23.6%	-23.2%
Caroline	23	0.5%	-30.0%	-35.7%
Carroll	63	1.4%	-27.3%	-34.2%
Cecil	77	1.8%	-7.2%	1.3%
Charles	188	4.3%	2.6%	-15.8%
Dorchester	18	0.4%	2.0%	-56.2%
Frederick	154	3.5%	5.7%	-25.0%
Garrett	15	0.3%	-23.7%	-16.9%
Harford	133	3.1%	-27.0%	-15.4%
Howard	133	3.1%	-23.3%	-1.5%
Kent	11	0.2%	-45.3%	-28.5%
Montgomery	276	6.3%	-32.4%	-21.3%
Prince George's	919	21.1%	-34.2%	-11.9%
Queen Anne's	44	1.0%	3.1%	-7.0%
Somerset	21	0.5%	53.0%	-2.7%
St. Mary's	60	1.4%	-27.0%	-21.5%
Talbot	34	0.8%	3.4%	0.4%
Washington	122	2.8%	-16.3%	1.5%
Wicomico	74	1.7%	-31.4%	-11.7%
Worcester	55	1.3%	-21.7%	2.5%
Maryland	4,354	100.0%	-23.4%	-15.7%

Source: RealtyTrac and DHCD, Housing and Economic Research Office

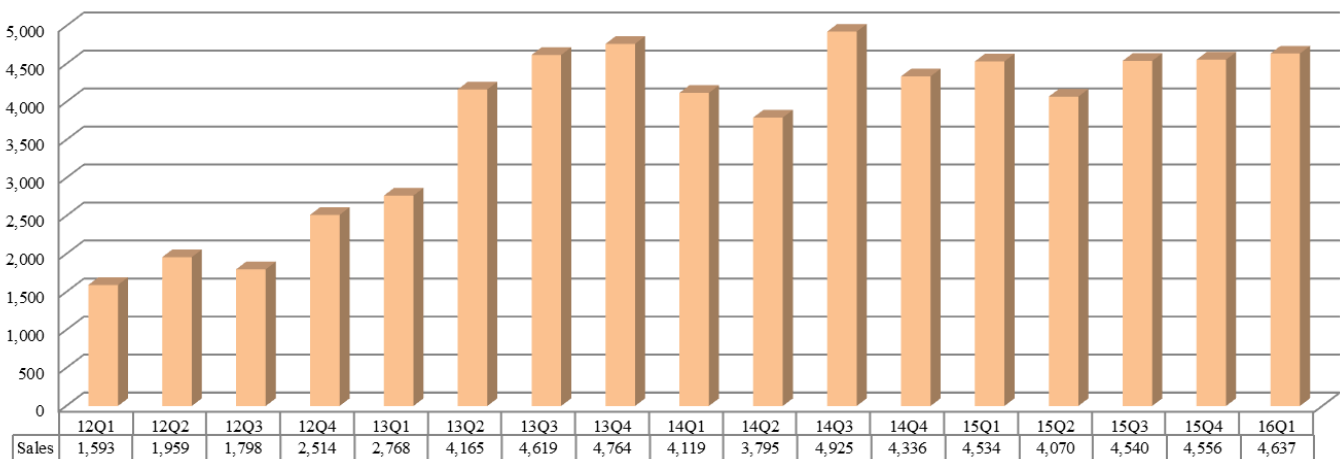
NOTICES OF FORECLOSURE SALES FIRST QUARTER 2016

Foreclosure sale or judgment of sales notice (an order signed by a judge authorizing the sale of a property at a public auction) inched up 1.8 percent from the prior quarter to 4,637 filings (Chart 4). Compared with the first quarter 2015, foreclosure sales grew by 2.3 percent. Foreclosure sales fluctuated across the state, increasing in 14, but falling in the remaining 10 Maryland jurisdictions.

Foreclosure sales grew 5.2 percent in Prince George's County to 1,054 notices, down 3.4 percent below last year's volume. Foreclosure sales in that county accounted for 22.7 percent of all foreclosure sales statewide, the largest share among the State's twenty-four jurisdictions (Table 3). Baltimore County with 724 notices, or 15.6 percent of the total, had the second highest number of foreclosure sales. Notices of sales in the county grew 2.8 percent from the previous quarter and by 13.9 percent from last year. Baltimore City with 723 notices, held a similar share of 15.6 percent of the total, claiming the third highest number of foreclosure sales in Maryland. Foreclosure sales in the City remained relatively stagnant, inching 0.9% and 0.1% above prior quarter and year ago levels, respectively.

Montgomery County with 410 notices, or 8.8 percent of the total, had the fourth highest number of foreclosure sales this quarter. Notices of sales in that county grew 2.0 percent above the prior quarter, but fell 12.0 percent below last year. Anne Arundel County with 379 notices (8.2 percent) had the fifth highest number of foreclosure sales this quarter, up 9.2 percent from the previous quarter and 17.2 percent from last year. Together, these jurisdictions accounted for 71.0 percent of all notices of sales issued statewide.

CHART 4. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2016



Source: RealtyTrac and DHCD, Housing and Economic Research Office

TABLE 3. NOTICES OF FORECLOSURE SALES
FIRST QUARTER 2016

Jurisdiction	2016 Q2		% Change from	
	Number	% of Total	2016 Q1	2015 Q2
Allegany	31	0.7%	-37.7%	52.6%
Anne Arundel	379	8.2%	9.2%	17.2%
Baltimore	724	15.6%	2.8%	13.9%
Baltimore City	723	15.6%	0.9%	0.1%
Calvert	56	1.2%	-36.1%	-24.8%
Caroline	33	0.7%	34.1%	47.7%
Carroll	91	2.0%	11.1%	17.0%
Cecil	80	1.7%	3.9%	23.1%
Charles	152	3.3%	-9.7%	3.5%
Dorchester	16	0.3%	-54.2%	-6.6%
Frederick	165	3.6%	6.5%	-6.6%
Garrett	7	0.2%	-25.2%	49.6%
Harford	246	5.3%	10.4%	40.2%
Howard	116	2.5%	0.7%	-9.5%
Kent	11	0.2%	34.4%	4.0%
Montgomery	410	8.8%	2.0%	-12.0%
Prince George's	1,054	22.7%	5.2%	-3.4%
Queen Anne's	27	0.6%	-12.6%	-26.5%
Somerset	15	0.3%	-34.7%	-1.0%
St. Mary's	64	1.4%	-3.3%	-28.6%
Talbot	13	0.3%	-51.9%	7.2%
Washington	123	2.6%	19.3%	-0.6%
Wicomico	57	1.2%	-8.2%	4.7%
Worcester	45	1.0%	15.5%	-1.5%
Maryland	4,637	100.0%	1.8%	2.3%

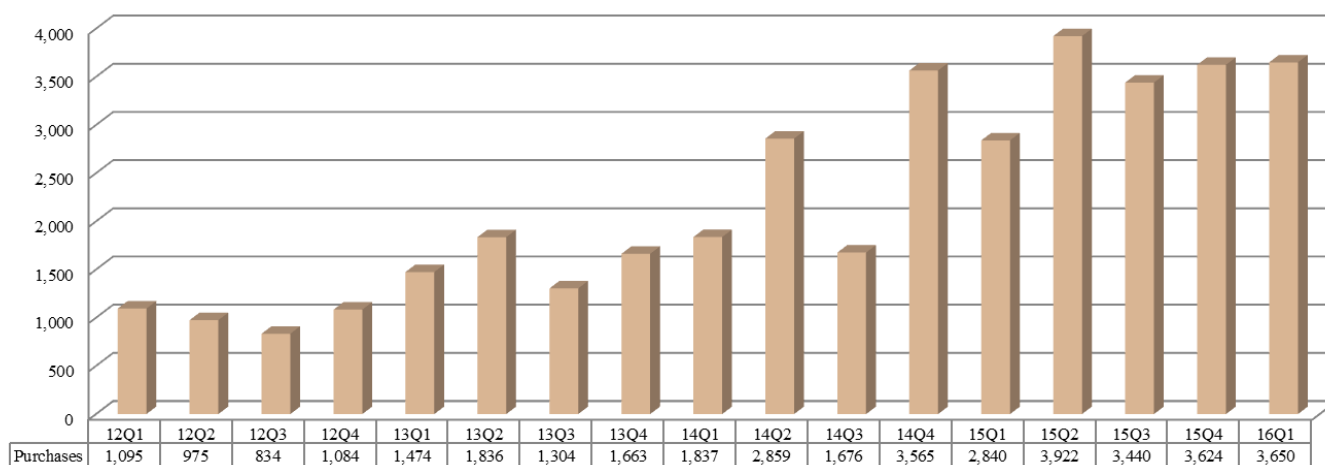
Source: RealtyTrac and DHCD, Housing and Economic Research Office

LENDER PURCHASES OF FORECLOSED PROPERTIES FIRST QUARTER 2016

Lender purchases of real estate owned by the lender (the final step in foreclosure process that conveys property ownership back to lender) grew 0.7 percent to 3,650 properties in the first quarter (Chart 5). Increase in lender purchases is a positive indication that lenders are confident in the ongoing housing recovery and are ready to take these properties back to the market. Compared to sales in the first quarter of 2015, lender purchases grew significantly by 28.5 percent.

By jurisdiction, 766 lender purchases occurred in Baltimore City, representing 21.0 percent of all lender purchases statewide, the largest share (Table 4). The number of lender purchases in the City grew by 43.8 percent above the prior quarter, and was up 95.0 the same period last year. Prince George's County with 716 lender purchases (19.6 percent of the total) had the second highest concentration in Maryland. Lender purchases in the county experienced significant growth from the preceding quarter and year, increasing by 108.0 and 100.4 percent, respectively. Baltimore County with 468 lender purchases (12.8 percent of the total) had the third highest concentration in Maryland. Lender purchases in that county declined by 2.4 percent below the previous quarter, but grew 29.1 percent when compared with year ago levels. Other jurisdictions with a larger share of the number of lender purchases include Anne Arundel County (375 purchases or 10.3 percent) and Montgomery County (244 purchases or 6.7 percent). Together, these jurisdictions represented 70.4 percent of all lender purchases statewide.

CHART 5. LENDER PURCHASES OF FORECLOSED PROPERTIES
FIRST QUARTER 2016



Source: RealtyTrac and DHCD, Housing and Economic Research Office

**TABLE 4. LENDER PURCHASES OF FORECLOSED
PROPERTIES
FIRST QUARTER 2016**

Jurisdiction	2016 Q2		% Change from	
	Number	% of Total	2016 Q1	2015 Q2
Allegany	42	1.2%	16.5%	4.6%
Anne Arundel	375	10.3%	1.9%	112.7%
Baltimore	468	12.8%	-2.4%	29.1%
Baltimore City	766	21.0%	43.8%	95.0%
Calvert	74	2.0%	-9.2%	5.7%
Caroline	24	0.7%	-10.3%	17.2%
Carroll	54	1.5%	-30.9%	-38.3%
Cecil	76	2.1%	-22.4%	-9.5%
Charles	124	3.4%	-18.0%	-0.4%
Dorchester	22	0.6%	-37.8%	-37.5%
Frederick	93	2.6%	-60.5%	-33.5%
Garrett	16	0.4%	23.6%	36.0%
Harford	139	3.8%	-30.1%	-20.9%
Howard	83	2.3%	-46.2%	-3.8%
Kent	22	0.6%	-2.2%	27.8%
Montgomery	244	6.7%	-8.7%	-11.0%
Prince George's	716	19.6%	108.0%	100.4%
Queen Anne's	45	1.2%	-17.4%	13.8%
Somerset	17	0.5%	-17.6%	-0.7%
St. Mary's	41	1.1%	-56.8%	-30.6%
Talbot	23	0.6%	-35.6%	-10.6%
Washington	89	2.4%	-32.1%	-23.5%
Wicomico	65	1.8%	-26.2%	-25.6%
Worcester	28	0.8%	-60.9%	-17.8%
Maryland	3,650	100.0%	0.7%	28.5%

Source: RealtyTrac and DHCD, Housing and Economic Research Office